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FAIRSON HOLDINGS LIMITED

鈺皓控股有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 8132)

CHANGE OF USE OF PROCEEDS

<p>The Board proposes to change the use of net proceeds from the Placing as set out in the Prospectus in light of the recent market conditions.</p>

Reference is made to the prospectus of Fairson Holdings Limited (the “**Company**”) dated 6 May 2011 (the “**Prospectus**”) relating to the Placing. Capitalised terms used herein shall have the same meanings as those defined in the Prospectus unless otherwise stated.

It was stated, among others, in the paragraph headed “Construction of new production plant and enhancement of production utilisation” under the section headed “Future plans and prospects” of the Prospectus that approximately HK\$23.0 million, representing approximately 77.7% of the net proceeds from the Placing will be used for the acquisition of land and the construction of a new production plant.

In view of the recent high volatilities of the equity market and uncertainties of the global economy, the Board considers that it would be of the interest of the Group to construct its own production plant in other locations with lower costs than in Guangdong province. In order to better utilise the financial resources of the Group in preparation for the uncertain financial and economic environment, the Board considers that it is necessary to adjust the proposed use of net proceeds of approximately HK\$23.0 million for the acquisition of land and the construction of new production plant and enhancement of production utilisation to approximately HK\$7.0 million, while the remaining balance of approximately HK\$16.0 million will be retained as working capital of the Group and for expansion of the domestic sales channel in the PRC and enhancement of production facilities. As at the date of this announcement, none of the portion of the net proceeds mentioned above has been utilised. The Company has conducted preliminary assessment for locations in

Jiangxi and Hunan provinces, at which the price of the land and the relevant construction and operation costs for a new production plant are considered by the Directors to be lower generally. The Directors will identify suitable land for the construction of such plant and may also consider financing the acquisition of land and construction of production facilities in form of bank and other borrowings should such financing be required. In addition, the Company will also closely monitor the status of obtaining the valid land use rights certificate or the relevant valid building ownership certificates by the lessor of the current production facilities in Baoan District. The Board believes that such adjustment of the use of net proceeds may increase the Company's flexibility in its financial management and may reduce other finance costs and is in the interests of the Company and its shareholders as a whole.

By order of the Board
Fairson Holdings Limited
Yeung Tin Hung
Chairman

Hong Kong, 8 November 2011

As at the date of this announcement, the executive Directors are Mr. Yeung Tin Hung, Mr. Yeung Shing Wai, Mr. Zhou Yu Hui, Mr. Chen Tian Gang; the non-executive Director is Mr. Wong Chi Yung and the independent non-executive Directors are Mr. Li Hin Lung, Mr. Chua Hoon Chong and Mr. Chan Kai Wo.

This announcement, for which the Directors collectively and individually accept full responsibility, includes particulars given in compliance with the GEM Listing Rules for the purpose of giving information with regard to the Company. The Directors, having made all reasonable enquiries, confirm that to the best of their knowledge and belief the information contained in this announcement is accurate and complete in all material respects and not misleading or deceptive, and there are no other matters the omission of which would make any statement herein or this announcement misleading.

This announcement will remain on the "Latest Company Announcements" page of the GEM website at <http://www.hkgem.com> for at least 7 days from the date of its posting and on the website of the Company at <http://www.sunfairw.com.hk>.